



## MEMORANDUM

TC

Agenda Item No. 3 (H)

TO: Honorable Chairperson Barbara Carey-Shuler, Ed.D. DATE: July 22, 2004  
and Members, Board of County Commissioners

FROM: George M. Burgess  
County Manager

A handwritten signature in black ink, appearing to read "Burgess", is written over the printed name of George M. Burgess.

SUBJECT: Recommendation to  
Discontinue Provision of  
Medicaid Non-Emergency  
Transportation

### **RECOMMENDATION**

It is recommended that the Board approve notification to the State of Florida's Commission for the Transportation Disadvantaged (CTD) and Red Top Transportation, Inc., of Miami-Dade Transit's (MDT) intent to discontinue providing Medicaid Non-Emergency Medical Transportation (NEMT) services effective September 1, 2004. The CTD has reduced its funding allocation to the County for next year's provision of NEMT by a little more than \$2 million. This reduced level of funding will result in a deficit to the County in excess of a total of \$3 million due to new responsibilities which would be imposed on the County by the CTD if the recommended action is not taken. Upon exhausting County lobbying efforts directly with the Agency for Health Care Administration (AHCA) and the CTD, County staff evaluated what is in the best interest of the County and is now presenting this recommendation.

### **BACKGROUND**

The Medicaid transportation program was implemented through Chapter 409.905(12), F.S. and Chapter 59G-4.330, F.A.C.; Medicaid transportation services comply with Chapter 427, F.S. Historically, the Medicaid program was administered in Florida by the Agency for Health Care Administration (AHCA). The Florida legislature appropriates funds to pay for Medicaid services and, by legislative authority, Medicaid sets the reimbursement, coverage and limitations policies. Through its fiscal agent, AHCA reimbursed for transportation services furnished to eligible Medicaid recipients when providing round trip transportation for a Medicaid-compensable service. Medicaid reimbursement for transportation services was on a fee-for-service basis and included an administrative fee to the County to compensate for the costs of coordination.

Through the Metropolitan Planning Organization (MPO), MDT is the designated Community Transportation Coordinator (CTC) for Miami-Dade County. When there is a designated CTC, the Area Medicaid Office for AHCA makes arrangements with the CTC to coordinate the provision of NEMT services to eligible Medicaid recipients residing in the County. For this reason, MDT, through a provider agreement, coordinates the provision of NEMT. Red Top Transportation, Inc. (Red Top), under Contract TA99-TSP with MDT, is providing the vehicles and operators for Medicaid non-emergency ambulatory and non-ambulatory paratransit service. Other NEMT by service agencies, stretcher, and air carrier modes are currently being provided by multiple vendors through a direct provider agreement with AHCA and are not part of the County's current programs. However, those services would be required under the new arrangement.

During the 2004 Legislative Session, the State Legislature cut \$11 million (11.88%) statewide from the NEMT program. In an effort to address the funding reduction, on June 11, 2004, the AHCA and the CTD entered into an agreement for the CTD to provide statewide administration of the NEMT. In turn, the CTD drafted a standard, statewide contract for the provision of NEMT through a block grant/allocation to individual local CTC's, including MDT. That grant/allocation was determined by a CTD formula approved by the CTD on June 22, 2004.

That formula has as its basis the presumption that rural areas, 59 of the 67 counties, should be held as harmless as possible. The CTD has voiced the opinion that urban counties have options for cost savings and efficiencies which are not available to rural areas. In addition, the CTD's allocation formula only evaluated paratransit service costs as compared to the local taxi industry, not actual costs based on historical data.

MDT has recently been advised by the CTD that Miami-Dade County's NEMT allocation is \$8,533,591 for FY 04-05. Since total projected costs for the same period are estimated to be \$11,550,000, this level of funding will result in a deficit of approximately \$3 million. The shortfall is based on historical data of costs for the coordination and provision of service and anticipated costs as a result of additional duties and responsibilities stipulated in the draft contract.

In addition to absorbing agency-provided trips, the draft contract also stipulates that additional services must be provided such as stretcher transportation and air carrier service. The contract also calls for expanded administrative responsibilities which would result in additional staffing and administrative expenses above and beyond what is currently being provided. The major additional responsibilities include a comprehensive compliance program including reporting requirements; provision of escorts for beneficiaries who are blind, deaf, mentally disabled or under 21 years of age; mandatory oral interpretation services for all non-English languages; providing encounter data for all services; establishment of a private volunteer transportation program; mandatory denial notices in all circumstances; and 100% trip verification.

The CTD has requested a letter of intent no later than July 23, 2004. The CTD has stated that at a CTD Commission meeting on July 29, 2004, the CTD will review each County's status and determine if a local vendor is needed to provide transportation service in any one of the counties based on the letters of intent it has received. The CTD has indicated that Medicaid recipients should experience a seamless transition should a new transportation provider be needed. The CTD has assured all current CTC's that their role as CTC would not be jeopardized if they decide not to enter into a contract with the CTD for the provision of NEMT. Therefore, MDT would continue its CTC role and would continue to receive its annual State of Florida Transportation Disadvantaged funding of approximately \$6.4 million. Those funds are allocated for partial reimbursement for Special Transportation Services and tokens and passes for Transportation Disadvantaged citizens.

However, if the County accepts the draft statewide contract as it now stands, all resulting deficits would have to be covered by local funds. Medicaid NEMT is not eligible for funding through the transit surtax designated for the People's Transportation Plan. The CTD insists that CTC's can obtain efficiencies, especially within large counties. However, the CTD has repeatedly disregarded this County's unique circumstances. In our County there is a consent order regarding Community Mental Health (CMH) patients that affects the County's ability to determine the most cost-effective transportation for these riders. The consent decree, in essence, guarantees CMH patients paratransit service, which is the most costly mode of transportation. These clients account for at least 50% of all paratransit trips and generate

a high workload level. If the consent order stands, the County could not achieve increased efficiencies available to other counties that do not have this restriction.

If the Board approves this agenda item, MDT would be required to terminate its existing contract with Red Top Transportation, Inc. for the provision of ambulatory and non-ambulatory paratransit services to eligible Medicaid recipients. In Miami-Dade County, NEMT is provided primarily by the County through an agreement with AHCA. Red Top Transportation, Inc. (Red Top), under Contract TA99-TSP with MDT, is providing the vehicles and operators for Medicaid ambulatory and non-ambulatory paratransit service. This is a five year contract, due to expire on February 17, 2007. The County Attorney's Office has reviewed the contract with Red Top and determined that the County can terminate the contract for convenience without notice or financial impact to the County. Other NEMT by service agencies, stretcher, and air carrier mode are currently being provided by multiple vendors through a direct agreement with AHCA.

MDT has learned that Broward's Board of County Commissioners has approved its staff's recommendation to discontinue providing NEMT effective August 1, 2004. Broward estimated that their shortfall would be approximately \$2.9 million.

Lastly, there are currently 26 County employees who are 100% dedicated to the administration of the NEMT program. These County employees will either be absorbed by MDT or reassigned to another County department.

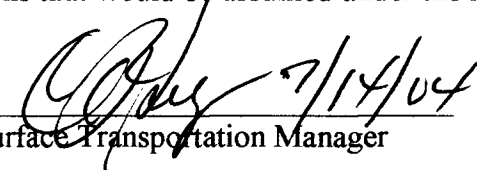
### **FISCAL IMPACT**

MDT has determined that the County's allocation by the State for the coordination and provision of NEMT of \$8.5 million will result in a deficit and that additional County funds in excess of \$3 million will be needed to supplement the shortfall as detailed below. In addition, the AHCA/CTD allocation is based on actual costs for Fiscal Year (FY) 02-03 and do not take into account actual growth in demand during FY 03-04 of 3.6% and projected growth for FY 04-05 of 3.0%.

Annual cost of Medicaid trips provided through MDT:	\$9,700,000
Annual cost of Medicaid stretcher and agency provided trips:	\$1,700,000
Additional administrative costs due to added duties and responsibilities:	\$ 150,000
Total projected costs:	\$11,550,000
Block grant/allocation proposed by the CTD:	-\$8,533,591
Estimated Local funding required to offset the shortfall:	-\$3,016,409

The shortfall is based on known historical data of costs for the coordination and provision of paratransit, and Medicaid Metropass, as well as AHCA's data regarding stretcher and agency trips. The projected costs do not include air carrier costs, as they are not known at this time.

This recommendation to discontinue the provision of NEMT is in the best interest of Miami-Dade County based upon a review of the fiscal impact, as well as the additional duties, responsibilities, and risks that would be assumed under the new direction that AHCA has adopted.

  
Surface Transportation Manager



# MEMORANDUM

(Revised)

TO: Hon. Chairperson Barbara Carey-Shuler, Ed.D.  
and Members, Board of County Commissioners

DATE: July 27, 2004

FROM: Robert A. Ginsburg  
County Attorney

SUBJECT: Agenda Item No.

Please note any items checked.

- ☐ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Bid waiver requiring County Manager's written recommendation
- ☐ Ordinance creating a new board requires detailed County Manager's report for public hearing
- ☐ Housekeeping item (no policy decision required)
- ☐ No committee review

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No.

RESOLUTION NO. \_\_\_\_\_

RESOLUTION AUTHORIZING TERMINATION OF  
CONTRACT NUMBER TA99-TSP WITH RED TOP  
TRANSPORTATION, INC. FOR PROVISION OF  
PARATRANSIT TRANSPORTATION SERVICES; AND  
AUTHORIZING THE COUNTY TO NOTIFY THE  
STATE OF FLORIDA COMMISSION FOR THE  
TRANSPORTATION DISADVANTAGED OF THE  
COUNTY'S INTENT TO DISCONTINUE PROVIDING  
MEDICAID NON-EMERGENCY MEDICAL  
TRANSPORTATION EFFECTIVE SEPTEMBER 1, 2004

**WHEREAS**, this Board desires to accomplish the purposes outlined in the  
accompanying memorandum, a copy of which is incorporated herein by reference,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY  
COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA**, that this Board  
approves termination of Contract TA99-TSP between Miami-Dade County and Red Top  
Transportation, Inc., to provide paratransit transportation services; and authorizes the  
County to notify the State of Florida Commission for the Transportation Disadvantaged  
(CTD) of Miami-Dade Transit's intent to discontinue providing Medicaid Non-  
Emergency Medical Transportation (NEMT) effective September 1.

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The foregoing resolution was offered by Commissioner \_\_\_\_\_, who moved its adoption. The motion was seconded by Commissioner \_\_\_\_\_ and upon being put to a vote, the vote was as follows:

Dr. Barbara Carey-Shuler, Chairperson	
Katy Sorenson, Vice-Chairperson	
Bruno A. Barreiro	Jose "Pepe" Diaz
Betty T. Ferguson	Sally A. Heyman
Joe A. Martinez	Jimmy L. Morales
Dennis C. Moss	Dorrin D. Rolle
Natacha Seijas	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 27th day of July, 2004. This Resolution and contract, if not vetoed, shall become effective in accordance with Resolution No. R-377-04.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF COUNTY  
COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as  
to form and legal sufficiency. BZ

By: \_\_\_\_\_  
Deputy Clerk

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